

WASHINGTON. D.C. – As the federal government considers a massive foray into government run-healthcare, House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) today released a staff report highlighting the Federal government's struggle to rein in rampant Medicare fraud and warning that government-run healthcare will lead to even more egregious abuses.

"Despite some small proposed tweaks, the public system in H.R. 3200 takes the same weak and ineffective approach to reducing fraud as the Medicare model," concludes the report. "While private companies have clear profit motivations to reduce fraud, an expanded government controlled health care system run by bureaucrats does not. Expansion of government run health care, based on the Medicare model, threatens to further institutionalize failing anti-fraud provisions and substantially increase the billions of taxpayer dollars lost to fraud and abuse."

Attorney General Eric Holder stated in May, "By all accounts, every year we lose tens of billions of dollars in Medicare and Medicaid funds to fraud."

Although DOJ recovered \$1.48 billion in fiscal year 2008, taxpayers fronted \$1.13 billion for "program integrity activities and health care fraud enforcement" to recover this money – creating a net recovery of only \$350 million for taxpayers.

ABC News has reported one convicted criminal said he made about \$8 million over seven years by fraudulently billing Medicare. The convict, now serving time in federal prison, told the media, "We would make anywhere between a million to \$2 million in a short time frame, maybe two, three months." He said bilking the government allowed him to purchase what he described as, "Ferrari, Porsche, Lamborghini, exotic cars – [I] had a nice, I lived a good life."

The report notes an official at the Department of Health and Human Services' Office of the Inspector General attributed the ease of committing Medicare fraud against the Government to the antiquated methods of preventing and detecting fraud – essentially the same safeguards that would be used under a government-run health care option under H.R. 3200.

"Without question, a new massive government-run healthcare program will lead to unprecedented increases in fraud and abuse," said Rep. Issa. "The costs of fraud and mismanagement will fall to taxpayers and result in higher rates and reduced quality of care for all Americans. True health care reform cannot rely on broken approaches to fighting fraud."

[Click here](#) to read a copy of the report, "Medicare Experience Suggests Americans Should Expect Massive Fraud with Nationalized Health Care"